

# Federated Hermes Strategic Value Dividend Fund

Nasdaq symbol — R6: SVALX | IS: SVAIX | A: SVAAX | C: SVACX

6/30/21

## Product highlights

- Pursues income and long-term capital appreciation.
- Seeks a higher dividend yield than that of the broad equity market.
- Invests primarily in high-dividend-paying stocks of companies with dividend growth potential.
- Offers the potential for competitive upside performance in strong market environments and the potential for lower downside risk in weak environments.

## Morningstar category

Large Value

## Benchmark

Dow Jones U.S. Select Dividend Index

## Key investment team

Daniel Peris, Ph.D., CFA  
Deborah Bickerstaff  
Jared Hoff  
Michael Tucker

## Yields (%)

30-day yield - R6	3.82
30-day yield - IS	3.81
30-day yield - A	3.36
30-day yield - C	2.79

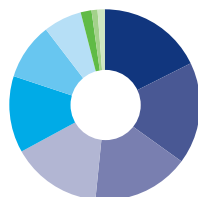
## Fund statistics

Portfolio assets	\$7.5 b
Number of securities	44
Dividends	Paid monthly
Foreign securities	27.7%
Portfolio beta (Source: FactSet 3 Year Beta versus S&P 500 Index calculated using monthly return)	0.77
Weighted median P/E (NTM)	15.2x
Weighted median P/E (LTM)	20.1x
Weighted median market cap	\$88.5 b
Weighted median price/book	2.2x

## Top holdings (%)

Exxon Mobil Corporation	4.8
AbbVie Inc.	4.7
Philip Morris International Inc.	4.7
Chevron Corp	4.6
Pfizer Inc.	4.2
Enbridge Inc.	4.0
British American Tobacco P.L.C.	3.9
BCE Inc.	3.7
Merck & Co., Inc.	3.7
Vodafone Group Public Limited Company	3.7

## Sector weightings (%)



Consumer Staples	17.6	Financials	9.5
Health Care	17.3	Information Technology	6.4
Utilities	16.7	Industrials	1.8
Energy	15.5	Real Estate	1.0
Communication Services	13.0	Cash/Cash Equivalents	1.2

## Average annual total returns (%)

Performance shown is before tax.

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
R6	3/30/05	4.70	26.88	6.41	4.93	8.79	6.97	0.86	0.79
IS	3/30/05	4.69	26.86	6.39	4.91	8.84	7.17	0.94	0.81
A	3/30/05	4.47	26.49	6.10	4.64	8.58	6.89	1.19	1.06
C	3/30/05	4.44	25.69	5.34	3.88	7.92	6.52	1.95	1.81
Benchmark		3.33	50.71	10.60	10.74	12.48	-	-	-

## Maximum offering price

A	3/30/05	-1.19	19.49	4.14	3.46	7.97	6.52	1.19	1.06
C	3/30/05	3.44	24.69	5.34	3.88	7.92	6.52	1.95	1.81

## Calendar year total returns (%)

A Shares/NAV

	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
NAV	13.74	-8.15	19.42	-8.49	14.73	10.35	3.45	11.30	21.48	6.90
Benchmark	23.69	-4.56	23.11	-5.94	15.44	21.98	-1.64	15.36	29.06	10.84

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com). Maximum offering price figures reflect the maximum sales charge of 5.5% for A Shares, and the maximum contingent deferred sales charge of 1% for C Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

\* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 1/1/22 or the date of the fund's next effective prospectus.

# Federated Hermes Strategic Value Dividend Fund

## Growth over time

If you had invested \$10,000 in A Shares on 3/31/05 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 6/30/21.



The fund's R6 Shares commenced operations on June 30, 2016. For the period prior to the commencement of operations of the R6 Shares, the performance information shown is for the fund's Institutional Shares adjusted to remove any voluntary waiver of fund expenses related to the fund's Institutional Shares that may have occurred during the periods prior to the commencement of operations of the fund's R6 Shares.

### A word about risk

Mutual funds are subject to risks and fluctuate in value.

There are no guarantees that dividend-paying stocks will continue to pay dividends. In addition, dividend-paying stocks may not experience the same capital appreciation potential as non-dividend-paying stocks.

Because the fund may allocate relatively more assets to certain industry sectors than others, the fund's performance may be more susceptible to any developments which affect those sectors emphasized by the fund.

International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

The fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

### Definitions

**The holdings percentages** are based on net assets at the close of business on 6/30/21 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

**Total return** represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

**30-day yield** (also known as "SEC yield") is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 3.75% for R6 Shares, 3.69% for Institutional Shares, 3.24% for A Shares, and 2.65% for C Shares.

**Growth over time** performance is for the fund's A Shares. Figures do not reflect the 5.5% maximum sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

**Beta** analyzes the market risk of a fund by showing how responsive the fund is to the market. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse in down markets. Usually the higher betas represent riskier investments.

**Weighted median P/E (LTM - latest twelve months)** is a ratio comparing share price to earnings per share using data from the previous twelve months.

**Weighted median P/E (NTM - next twelve months)** in calculating this, individual holdings with values greater than 60 are capped at 60 in accordance with Morningstar's methodology for calculating "weighted Median P/E."

**Weighted median market capitalization** is the calculation represented by the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock.

**Weighted median price/book** is a ratio comparing share price to book value or assets minus liabilities.

**Dow Jones U.S. Select Dividend Index** universe is defined as all dividend-paying companies in the Dow Jones U.S. Total Market Index that have a non-negative historical 5-year dividend-per-share growth rate, a 5-year average dividend earnings-per-share ratio of less than or equal to 60%, and 3-month average daily trading volume of 200,000 shares. Current index components are included in the universe regardless of their dividend payout ratio. The Dow Jones U.S. Total Market Index is a rule-governed, broad-market benchmark that represents approximately 95% of the U.S. market capitalization.

Indexes are unmanaged and cannot be invested in directly.

*Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com). Please carefully read the summary prospectus or the prospectus before investing.*

*Past performance is no guarantee of future results.*

### Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2021 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.